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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

In the Matter of)
)
Implementation of the Cable)
Television Consumer Protection)
and Competition Act of 1992)

To: The Commission

MM Docket No. 92-260

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

REPLY COMMENTS OF THE BENTLEYVILLE TELEPHONE COMPANY

The Bentleyville Telephone Company ("Bentleyville") hereby submits these Reply Comments in response to the comments filed on December 1, 1992 in the above-referenced proceeding. For the past four generations, Bentleyville has served the Borough of Bentleyville ("the Borough") as a locally owned and operated telephone company. The Borough, a small and essentially rural area, is located in the southwestern corner of Pennsylvania near Pittsburgh. For the past 15 years, its community has had one cable operator.

Not satisfied with the overall poor service provided by that cable operator, the elected council of the Borough urged Bentleyville to consider providing competitive cable television service. Despite its basically rural character, however, the Borough has a population slightly above the 2,500 inhabitant ceiling for the rural exemption provided for in 47 C.F.R. § 63.58.1/ Consequently, Bentleyville has

1/ The Borough of Bentleyville's population is 2,673 according to the 1990 Census.

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submitted a petition for waiver, currently pending,^{2/} of the telephone-cable restrictions found at 47 C.F.R. §§ 63.54 and 63.55.

Bentleyville agrees with commenters advocating that the Commission apply to cable operators the same rules that already apply to telephone inside wiring. The Commission and commenters correctly point out that the legislative history of the Act expresses a congressional intent to "permit ownership of the cable wiring by the homeowner" and to put in place policies that "protect consumers against the imposition of unnecessary charges", as example, for home wiring maintenance.

Where competition exists, additional costs and inconveniences are borne by subscribers in instances where cable operators remove inside wire after termination of service without giving the subscriber an opportunity to acquire the wiring.

As Bentleyville intends to provide a competitive cable service within the Borough, (with Commission approval), this issue is critical. Customer ownership of cable home wiring will avoid the additional costs, wasted work and disruption of replacing inside wiring when an alternate cable service provider is chosen. In addition, the homeowner may desire to switch cable providers, but only if no additional intrusion is done to his premises. The homeowner may be especially reluctant to switch if not only must Bentleyville rewire the house, but the incumbent is permitted to withdraw the existing

^{2/} Petition by The Bentleyville Telephone Company for Waiver of 63.54 and 63.55 of the Commission's Rules and authorization to construct and operate a cable television system in Bentleyville, Pennsylvania, within its telephone service area, W-P-C 6817 April 16, 1992 ("Bentleyville Petition").

interior wiring. Bentleyville believes that consumer ownership of cable home wiring will promote competition, even in rural areas where sources of competition for alternative cable service are scarce due to economies of scale. Bentleyville also believes that existing and newly installed home wiring will speed the development of broadband services and other competing services at lower cost to the customer.

The United States Telephone Association ("USTA") has commented that consumer ownership of cable home wiring will promote competition for wire maintenance.^{4/} Bentleyville supports USTA's position however, Bentleyville believes the Commission should account for the differences in competition for wire maintenance in areas served by small systems, such as Bentleyville. Small systems should be allowed to completely recover the costs of providing those services which cable customers demand.

Cable operators should be allowed, like that of telephone companies, to amortize any part of the cost of existing home wiring that can be shown as undepreciated and unrecovered. Bentleyville believes the costs of materials and labor for newly installed cable inside home wiring should be expensed at the time of installation.

Bentleyville does not seek the Commission to impose inconsistent obligations on small operating systems, but does urge the Commission to not adopt rules concerning the legal responsibility to prevent leakage and yet deny them the ability to fulfill their obligations caused by non-ownership rights or limited access to installed cable wiring.

^{4/} USTA comments at 5 filed December 1, 1992.

CONCLUSION:

Bentleyville urges the Commission to adopt rules for cable home wiring that provides for consumer ownership upon termination of service either by consumer request or cable service provider policy. The Commission rules should include existing or newly installed home cable wiring. Those rules should also assure, in an effort to reduce the administrative burdens and cost of compliance, that small systems have the ability to recover the costs of materials and labor with a reasonable return.

Respectfully submitted,

The Bentleyville Telephone Company

By: 
Richard J. D'Antonio
President

January 8, 1993